MULTIMEDIA UNIVERSITY

STUDENT ID NO

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# MULTIMEDIA UNIVERSITY

# FINAL EXAMINATION

**TRIMESTER 3, 2017/2018**

## PCL0012 – INTRODUCTION TO COMMERCIAL LAW

(All Sections / Groups)

4 JUNE 2018
9.00 a.m. – 11.00 a.m.
(2 Hours)

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**INSTRUCTIONS TO STUDENT**

1. This question paper consists of **THREE (3)** printed pages excluding the cover page.
2. It is **COMPULSORY** to answer **ALL** question from Section A and **ONE (1)** questions from Section B.
3. Please write all your answers in the Answer Booklet provided.

## SECTION A

Instruction: Section A has **THREE** questions. It is **COMPULSORY** to answer **ALL** questions in this Section.

## QUESTION 1

a. Lord Macnaghten:

"The company is at law a different personal together from the subscribers to the memorandum; and, though it may be that after incorporation the business is precisely the same as it was before, and the same persons are managers, and the same hands received the profits, the company is not in law the agent of the subscribers or trustee for them. Nor are the subscribers, as members, liable in any shape or form, except to the extent and in the manner provided by the Act"

Discuss.

**(17 marks)**

b. Discuss the classifications of Company.

**(8 marks)**

**[Total = 25 marks]**

## QUESTION 2

Discuss the general rule "No one can transfer a better title than he has himself" together with the exceptions.

**(25 marks)**

**Continued .....**

**QUESTION 3**

a. Explain the characteristics of bill of exchange and cheque.

**(15 marks)**

b. On 1 April 2018, Tom borrowed RM 68,000 from his best friend, Jerry. Tom gave a cheque of RM 68,000, dated 1 April 2020, to Jerry as security for the loan.

i. Identify and explain the type of cheque issued by Tom.

**(2 marks)**

ii. Discuss whether Jerry can draw the cheque before the date stated on the cheque i.e. 1 April 2020. Support your answer with relevant authority.

**(8 marks)**

**[Total = 25 marks]**

**SECTION B**

Instruction: This section has **TWO** questions. Please answer only **ONE** question.

**QUESTION 4**

Briefly explain the following and support your answer with relevant authorities:

a) Indemnity insurance **(5 marks)**
b) Contingency insurance **(5 marks)**
c) Doctrine of subrogation **(5 marks)**
d) Utmost good faith **(5 marks)**
e) Material facts **(5 marks)**

**[Total = 25 marks]**

**Continued .....**

## QUESTION 5

Ben meets his cousin Sam, an insurance agent, to seek for medical insurance coverage from Sam's insurance agency, Great Western Insurance Bhd ("Insurance Company").

In the insurance proposal form, there was a question on whether Ben was diagnosed with any illness in past ten years. The insurance agent Sam, knows that Ben has high blood pressure and high cholesterol level, while at the same time he also knows that by admitting to the fact, there is a high chance that the Insurance Company will increase Ben's premium or even refuse to accept Ben's premium. Hence, after having a discussion with Ben, Sam agreed to not to disclose Ben's medical conditions in the proposal form.

A year later, Ben was diagnosed with heart disease and he was admitted to the hospital for an emergency heart surgery. After the surgery, the Insurance Company informed Ben that his claim for the medical bills of his heart surgery is rejected.

Advise Ben based on principles of insurance and support your answer with relevant authorities.

**(25 marks)**

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